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MILES & STOCKBRIDGE

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30 WEST PATRICK STREET
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22 WEST JEFFERSON STREET
ROCKVILLE, MARYLAND 20850

600 WASHINGTON AVENUE
TOWSON, MARYLAND 21204

1450 G STREET, N.W.
WASHINGTON, D.C. 20005

0100066035

JOHN A. STALFORT
410-385-3424

December 13, 1993

via FEDERAL EXPRESS

Interstate Commerce Commission
12th and Constitution Avenue, N.W.
Washington, D.C. 20423
Attention: Mrs. Mildred Lee

Re: \$2,400,000 Loan by The First National Bank of
Maryland to Interail, Inc.

Dear Mrs. Lee:

Enclosed herewith is one executed original and one notarized
copy of the following document in connection with the above-
referenced financing:

Security Agreement by Interail, Inc. (One Foxfield
Square, Suite 200, St. Charles, Illinois 60174) in
favor of The First National Bank of Maryland (25
South Charles Street, Baltimore, Maryland 21201).

I have also enclosed a check in the amount of \$18.00 for the
costs of recordation.

Once this document has been recorded, please return the
original to:

John A. Stalfort, Esquire
Miles & Stockbridge
10 Light Street
Baltimore, Maryland 21202

RECORDATION NO. 18512
FILED 1425

DEC 14 1993 - 2 35 PM

INTERSTATE COMMERCE COMMISSION

RECEIVED
OFFICE OF THE
CLERK OF THE
COURT
JAN 11 2 29 PM '94
LICENSING BRANCH

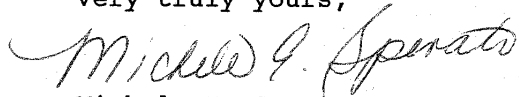
Enclosed by Mrs. Lee

December 13, 1993
Page 2

MILES & STOCKBRIDGE

Thank you for your prompt attention to this matter. Please call me at (410) 385-3425 if you have any questions or require anything further.

Very truly yours,

A handwritten signature in cursive script, reading "Michele E. Sperato".

Michele E. Sperato,
Secretary to John A. Stalfort

Interstate Commerce Commission
Washington, D.C. 20423

12/15/93

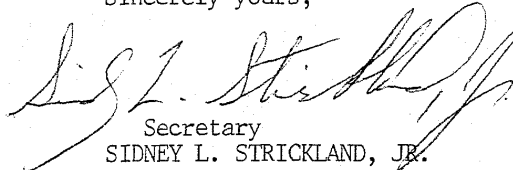
OFFICE OF THE SECRETARY

John A Stalfort, Esq.
Miles & Stockbridge
10 Light Street
Baltimore, Maryland 21202

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,
on 12/14/93 at 2:35pm, and assigned
recording number(s). 18512

Sincerely yours,


Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

213

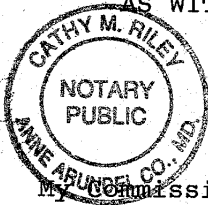
RECORDATION NO. 18512 25

DEC 14 1993 -2 35 PM

INTERSTATE COMMERCE COMMISSION

I HEREBY CERTIFY that the attached Security Agreement is a true and complete copy of said Security Agreement.

AS WITNESS my hand and Notarial Seal.



My Commission Expires: 7/1/94

Cathy M. Riley
Notary Public

SECURITY AGREEMENT

DEC 14 1993 -2 35 PM

THIS SECURITY AGREEMENT (this "Agreement") is made as of this 10th day of December, 1993, by INTERAIL, INC. a Kansas corporation (the "Pledgor"), in favor of THE FIRST NATIONAL BANK OF MARYLAND, a national banking (the "Lender"); witnesseth:

Recitals

The Pledgor has applied to the Lender for a loan in the principal amount of (the "Financial Accommodations") pursuant to the provisions of a certain Loan Agreement of even date herewith by and between the Lender and the Pledgor (the "Loan Agreement"). The Financial Accommodations are to be evidenced by, and repaid with interest in accordance with provisions of, a Promissory Note of even date herewith from the Pledgor payable to the Lender in the principal amount of the Financial Accommodations (the "Note"). The Lender has required, as a condition to the making of the Financial Accommodations, the execution of this Agreement by the Pledgor.

NOW, THEREFORE, in order to secure (a) the prompt payment of all past, present, and future indebtedness, liabilities, and obligations of the Pledgor to the Lender of any nature whatsoever in connection with the Financial Accommodations, including, without limitation, the Liabilities (as defined in the Loan Agreement) (collectively the "Pledgor's Liabilities"), and (b) the performance by the Pledgor of all of the terms, conditions, and provisions of this Agreement, the Loan Agreement, the Note, and of any other note, security agreement, pledge agreement, guaranty agreement, mortgage, deed of trust, loan agreement, hypothecation agreement, subordination agreement, indemnity agreement, letter of credit application, assignment, or any other document previously, simultaneously, or hereafter executed and delivered by the Pledgor and/or any other person, singly or jointly with another person or persons, evidencing, securing, guaranteeing, or in connection with any of the Pledgor's Liabilities (collectively, the "Loan Documents"), the Pledgor agrees with the Lender as follows:

1. Collateral. The Pledgor hereby grants to the Lender a security interest in the following property of the Pledgor:

A. the railroad cars described in Exhibit A attached hereto and made a part hereof by reference, together with (i) all additions, parts, fittings, accessories, special tools, attachments, and accessions now and hereafter affixed thereto and/or used in connection therewith, (ii) all replacements thereof and substitutions therefor, and (iii) all cash and non-cash proceeds and products thereof.

B. any accounts, property, securities or monies of the Pledgor which may at any time be assigned or delivered or come into the possession of the Lender, together with all proceeds thereof.

The term "Collateral" as used herein means each and all of the items of Collateral described above and the term "proceeds" as used herein includes, without limitation, the proceeds of all insurance policies covering all or any part of such items of Collateral.

2. Payment and Performance. The Pledgor will pay the Pledgor's Liabilities as and when due and payable and will perform, comply with, and observe the terms and conditions of the Loan Documents to be performed, complied with, and observed by the Pledgor.

3. Title to Collateral. The Pledgor represents and warrants that it is the owner of the Collateral and has good and marketable title to the Collateral consisting of the railroad cars purchased from EMCOR, Inc. free and clear of all liens, security interests, and other encumbrances except for those in favor of the Lender and those created pursuant to the agreements listed on Schedule 1 attached hereto and made a part hereof. The Pledgor represents and warrants that it has good title to the Collateral consisting of the railroad cars purchased from Allied Railcar Company free and clear of all liens, security interests and other encumbrances except for those liens in favor of the Lender and the Lease and those liens, security interests and other encumbrances, if any, which are to be released by Allied Railcar Company or Chrysler Rail Transportation Corporation. The Pledgor will deliver to the Lender within 360 days after the date hereof a title opinion with respect to the railroad cars purchased from Allied Railcar Company to the effect that such railcars are free of any liens, security interests and other encumbrances except for those in favor of the Lender and the Lease.

4. Further Assurances. The Pledgor will defend its title to the Collateral against all persons and will, upon request of the Lender, (a) furnish such further assurances of title as may be required by the Lender, and (b) deliver and execute or cause to be delivered and executed, in form and content satisfactory to the Lender, any financing, continuation, termination, or security interest filing statement, security agreement, or other document as the Lender may request in order to perfect, preserve, maintain, or continue the perfection of the Lender's security interest in the Collateral and/or its priority. The Pledgor will pay the costs of filing any financing, continuation, termination, or security interest filing statement as well as any recordation or transfer tax required by law to be paid in connection with the filing or recording of any such statement. A carbon, photographic, or other reproduction of a security agreement or a financing statement is sufficient as a financing statement.

5. Transfer and Other Liens. The Pledgor will not sell, lease, transfer, exchange, or otherwise dispose of the Collateral, or any part thereof, without the prior written consent of the Lender and will not permit any lien, security interest, or other encumbrance to attach to the Collateral, or any part thereof, other than those in favor of the Lender and the Lease.

6. Financial Statements, Books and Records. The Pledgor will (a) at all times maintain, in accordance with generally accepted accounting principles, accurate and complete books and records pertaining to the Collateral and any contracts and collections relating to the Collateral, (b) furnish to the Lender promptly upon request, and in the form and content and at the intervals specified by the Lender, such financial statements, reports, schedules, and other information with respect to the Collateral as the Lender may from time to time require, (c) at all reasonable times and without hindrance or delay, permit the Lender or any person designated by the Lender to enter any place of business of the Pledgor or any other premises where any books, records, and other data concerning the Collateral may be kept and to examine, audit, inspect, and make extracts from and photocopies of any such books, records, and other data, and (d) mark its books and records in a manner satisfactory to the Lender so that the Lender's rights in and to the Collateral will be shown.

7. Name of Pledgor, Place(s) of Business, and Location of Collateral. The Pledgor represents and warrants that its correct legal name is as specified on the signature lines of this Agreement, and each legal or trade name of the Pledgor for the previous twelve (12) years (if different from the Pledgor's current legal name) is as specified below the signature lines of this Agreement. Without prior written notice to the Lender, the Pledgor will not change its name. The Pledgor warrants that the address of the Pledgor's chief executive office is as specified below the signature lines of this Agreement. All books and records pertaining to the Collateral have been, are, and will be located at the Pledgor's chief executive office specified below. The Pledgor will immediately advise the Lender in writing of any change in the location of the places where the books and records concerning the Collateral, or any part thereof, are kept.

8. [Intentionally Omitted]

9. [Intentionally Omitted]

10. Taxes. Except to the extent that the validity or the amount thereof is being contested in good faith and by appropriate proceedings, the Pledgor will pay as and when due and payable all taxes, levies, license fees, assessments, and other impositions levied on the Collateral or any part thereof or for its use and operation .

11. Performance by the Lender. If the Pledgor fails to perform, observe, or comply with any of the conditions, terms, or covenants contained in this Agreement, the Lender, after notice to and demand upon the Pledgor prior to an Event of Default and without notice to or demand upon the Pledgor after an Event of Default and without waiving or releasing any of the Pledgor's Liabilities or any Event of Default, may (but shall be under no obligation to) at any time thereafter perform such conditions, terms, or covenants for the account and at the expense of the

Pledgor, and may enter upon any place of business or other premises of the Pledgor for that purpose and take all such action thereon as the Lender may consider necessary or appropriate for such purpose. All sums paid or advanced by the Lender in connection with the foregoing and all costs and expenses (including, without limitation, attorneys' fees and expenses) incurred in connection therewith (collectively, the "Expense Payments") together with interest thereon at a per annum rate of interest which is equal to the then highest rate of interest charged on the principal of any of the Pledgor's Liabilities, plus one percent (1%) per annum, from the date of payment until repaid in full, shall be paid by the Pledgor to the Lender on demand and shall constitute and become a part of the Pledgor's Liabilities secured hereby.

12. Default. The occurrence of any one or more of the following events shall constitute an event of default (an "Event of Default") under this Agreement: (a) failure of the Pledgor to perform, observe, or comply with any of the provisions of this Agreement or of the other Loan Documents, and such failure shall remain uncured for a period of thirty (30) days after the date of written notice from the Lender to the Pledgor; or (b) the occurrence of an event of default (as defined therein) under any of the other Loan Documents.

13. Rights and Remedies Upon Default. Upon the occurrence of an Event of Default hereunder (and in addition to all of its other rights, powers, and remedies under this Agreement), the Lender may, at its option, and after notice to the Pledgor, declare the unpaid balance of the Pledgor's Liabilities to be immediately due and payable. The occurrence or non-occurrence of an Event of Default shall in no manner impair the ability of the Lender to demand payment of any portion of the Pledgor's Liabilities which are payable on demand. The Lender shall have all of the rights and remedies of a secured party under the Maryland Uniform Commercial Code and other applicable laws. Upon the occurrence of an Event of Default hereunder, the Lender or its agents may enter upon the Pledgor's premises to take possession of the Collateral, to remove it, to render it unusable, or to sell or otherwise dispose of it, all without judicial process or proceedings.

Any written notice of the sale, disposition, or other intended action by the Lender with respect to the Collateral which is required by applicable laws and is sent by certified mail, postage prepaid, to the Pledgor at the address of the Pledgor's chief executive office specified below, or such other address of the Pledgor which may from time to time be shown on the Lender's records, at least ten (10) days prior to such sale, disposition, or other action, shall constitute reasonable notice to the Pledgor. The Pledgor shall pay on demand all costs and expenses, including, without limitation, attorneys' fees and expenses, incurred by or on behalf of the Lender (a) in enforcing the Pledgor's Liabilities, and (b) in connection with the taking, holding, preparing for sale or other disposition, selling, managing, collecting, or otherwise disposing of the Collateral. All of such costs and expenses

(collectively, the "Liquidation Costs") together with interest thereon at a per annum rate of interest which is equal to the then highest rate of interest charged on the principal of any of the Pledgor's Liabilities, plus one percent (1%) per annum, from the date of payment until repaid in full, shall be paid by the Pledgor to the Lender on demand and shall constitute and become a part of the Pledgor's Liabilities secured hereby. Any proceeds of sale or other disposition of the Collateral will be applied by the Lender to the payment of the Liquidation Costs and Expense Payments, and any balance of such proceeds will be applied by the Lender to the payment of the remaining Pledgor's Liabilities in such order and manner of application as the Lender may from time to time in its sole discretion determine.

14. Non-Recourse. Notwithstanding any other provision herein but subject to the second sentence of this Section, all obligations of the Pledgor hereunder, including, without limitation, the obligation to pay when due all principal, prepayment premiums, if any, and interest, shall be expressly nonrecourse to the Pledgor and all such payments shall be made only from the income and proceeds from the Collateral and only to the extent that the Pledgor shall have sufficient income and proceeds from the Collateral to make such payments. The foregoing limitation of recourse shall not limit, restrict or impair the rights of the Lender to accelerate the maturity of the Note upon a default hereunder, to bring suit and obtain a judgment against the Pledgor on the Note, the Loan Agreement or this Agreement or to exercise all rights and remedies provided hereunder, or otherwise realize upon the Collateral; and, further, shall not be deemed to bar or prohibit the Lender from asserting a claim against, exercising remedies with respect to, or proceeding against the Pledgor personally for any damages suffered by the Lender solely arising from any representation or warranty contained herein or in any of the other Loan Documents proving to be untrue when made or to have been breached, or the Pledgor's failure to comply with the provisions of Section 5 hereof, the last sentence of Section 18 hereof or Sections 5.16, 5.18, 5.19, 5.20 and 5.21 of the Loan Agreement.

15. Remedies Cumulative. Each right, power, and remedy of the Lender as provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Lender of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by the Lender of any or all such other rights, powers, or remedies.

16. Waiver. No failure or delay by the Lender to insist upon the strict performance of any term, condition, covenant, or agreement of this Agreement or of the other Loan Documents, or to

exercise any right, power, or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, condition, covenant, or agreement or of any such breach, or preclude the Lender from exercising any such right, power, or remedy at any later time or times. By accepting payment after the due date of any of the Pledgor's Liabilities, the Lender shall not be deemed to have waived the right either to require payment when due of all other Pledgor's Liabilities or to declare an Event of Default for failure to effect such payment of any such other Pledgor's Liabilities. The Pledgor waives presentment, notice of dishonor, and notice of non-payment with respect to accounts and chattel paper.

17. Miscellaneous. The paragraph headings of this Agreement are for convenience only and shall not limit or otherwise affect any of the terms hereof. Neither this Agreement nor any term, condition, covenant, or agreement hereof may be changed, waived, discharged, or terminated orally but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought. This Agreement shall be governed by the laws of the State of Maryland and shall be binding upon the heirs, personal representatives, successors, and assigns of the Pledgor and shall inure to the benefit of the successors and assigns of the Lender. As used herein, the singular number shall include the plural, the plural the singular, and the use of the masculine, feminine, or neuter gender shall include all genders, as the context may require, and the term "person" shall include an individual, a corporation, an association, a partnership, a trust, and an organization. Unless varied by this Agreement, all terms used herein which are defined by the Maryland Uniform Commercial Code shall have the same meanings hereunder as assigned to them by the Maryland Uniform Commercial Code.

18. Repair of Collateral. The Pledgor will make all repairs of the Collateral in accordance with the Lease (as defined in the Loan Agreement). The Pledgor shall be personally liable for all of such repair costs in excess of \$107.00 per Railcar (as defined in the Loan Agreement) per month.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

The signature and seal of the Pledgor are subscribed to this Agreement the day and year written above.

ATTEST:

INTERAIL, INC.

Lita K. Jemey

By: Richard T. Seymour (SEAL)

Address of Pledgor's chief executive office:

One Foxfield Square, Suite 200

St. Charles, Illinois 60174

Previous legal and/or trade name(s) of the Pledgor: NONE

STATE OF ILLINOIS, COUNTY OF Cook, TO WIT:

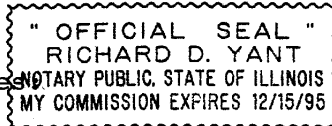
I HEREBY CERTIFY, that on this 22 day of December, 1993, before me, the undersigned, a Notary Public of the State of Illinois, personally appeared Richard T. Seymour, who acknowledged himself to be the President of Interail, Inc., a Kansas corporation, known (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized President of said corporation by signing the name of the corporation by himself as President.

AS WITNESS my hand and Notarial Seal.

Richard D. Yant
Notary Public

(SEAL)

My Commission Expires



A:FN133904.SEC/Interail#1/Disk1

EXHIBIT A

DESCRIPTION OF RAILROAD CARS

1. 75 50 foot, 70 ton Boxcars, manufactured by National Railway Utilization Corporation in October, 1978, bearing Running Marks and Numbers: CP204614 through CP204688 inclusive.

2. 159 Boxcars, bearing Running Marks and Numbers:

CP204316	CP204375	CP204441	CP204512	CP204597
CP204317	CP204377	CP204444	CP204513	CP204598
CP204318	CP204379	CP204445	CP204564	CP204599
CP204320	CP204380	CP204448	CP204565	CP204600
CP204325	CP204381	CP204450	CP204566	CP204601
CP204326	CP204382	CP204451	CP204567	CP204602
CP204329	CP204383	CP204452	CP204568	CP204603
CP204332	CP204384	CP204454	CP204569	CP204604
CP204333	CP204385	CP204457	CP204570	CP204605
CP204334	CP204386	CP204458	CP204571	CP204606
CP204335	CP204388	CP204464	CP204572	CP204607
CP204338	CP204389	CP204466	CP204573	CP204608
CP204339	CP204392	CP204468	CP204574	CP204609
CP204341	CP204393	CP204469	CP204575	CP204610
CP204342	CP204394	CP204470	CP204576	CP204611
CP204343	CP204397	CP204472	CP204577	CP204612
CP204345	CP204399	CP204475	CP204578	CP204613
CP204346	CP204400	CP204478	CP204579	CP204750
CP204347	CP204401	CP204479	CP204580	CP204751
CP204348	CP204403	CP204480	CP204581	
CP204350	CP204404	CP204482	CP204582	
CP204352	CP204405	CP204483	CP204583	
CP204354	CP204407	CP204485	CP204584	
CP204355	CP204409	CP204486	CP204585	
CP204356	CP204412	CP204488	CP204586	
CP204357	CP204414	CP204489	CP204587	
CP204358	CP204418	CP204492	CP204588	
CP204359	CP204419	CP204498	CP204589	
CP204360	CP204421	CP204500	CP204590	
CP204362	CP204424	CP204501	CP204591	
CP204365	CP204425	CP204503	CP204592	
CP204369	CP204427	CP204505	CP204593	
CP204370	CP204428	CP204506	CP204594	
CP204371	CP204429	CP204507	CP204595	
CP204374	CP204430	CP204508	CP204596	

SCHEDULE 1

DESCRIPTION OF AGREEMENTS

1. Agency Agreement dated as of December 1, 1987 between EMCOB, Inc. and The Maryland and Pennsylvania Railroad Company.
2. Railcar Management Agreement dated as of December 1, 1987 between EMCOB, Inc. and Emons Marketing Services, Inc. ("Emons"). The interest of Emons has since been assigned to Chrysler Rail Transportation Corporation.
3. Intercreditor Agreement dated as of December 1, 1987 among Wilmington Trust Company, Chrysler Rail Transportation Corporation, UTC Equipment Corporation, Signet Leasing and Financial Corporation, Bamerilease, Inc., Bamerilease Capital Corporation, The Life Insurance Company of Virginia, Manufacturers Hanover Leasing Corporation, EMCOB, Inc., The Maryland and Pennsylvania Railroad Company, Emons Industries, Inc. and Emons Marketing Services, Inc.
4. Security Agreement dated as of December 1, 1987 between Wilmington Trust Company and The Maryland and Pennsylvania Railroad Company.
5. Lease Agreement dated as of December 1, 1987 between The Maryland and Pennsylvania Railroad Company and Canadian Pacific Limited.